

# **2013 HALF-YEAR REPORT**

# OPUS AT A GLANCE

2,500 staff in...



79 offices across...



five countries working...



with more than 15,000 clients



*We are a trusted partner in the creation of sustainable communities, facilities and environments through the development and management of world-class social and fixed infrastructure.*

## A STRATEGIC FOCUS ON SUSTAINABLE BUSINESS GROWTH



### Continuous growth through:

- Innovation, learning and the free flow of ideas
- Developing far reaching technical and management solutions
- A focus on continuous improvement across the business
- Client-centric business development

## AN EXTENSIVE RANGE OF EXPERIENCE, SKILLS AND CAPABILITIES



### Strengthen core capabilities through:

- Investment in business improvements, infrastructure and processes
- Building a strong risk culture and critical thinking
- Attracting and retaining top level talent

## A COMMITMENT TO DELIVERING SHAREHOLDER VALUE



### Maximise shareholder returns through:

- Building a single, seamless, globally connected business
- An agile and flexible business model that drives business delivery
- Exploiting new opportunities through in-depth market knowledge and strong strategic partnerships

# OPERATIONAL OVERVIEW



Opus has delivered a solid performance in the first half of the year, despite on-going challenges in global markets. We have not been immune to the constrained market conditions, particularly in New Zealand, but improved performance across our other markets has provided a steady result.

We are focused on performance improvement, in line with our strategic intent to strengthen and expand our core capabilities and the business. First half Group earnings before interest and tax (EBIT) were \$13.2m, a decrease of 8% on the same period last year, delivering a net profit after tax of \$9.4m, down \$1.3m on prior year. Importantly, we increased our revenue to \$211.7m, up 4% on prior year.



## NEW ZEALAND

In New Zealand, the Christchurch rebuild is still gaining momentum, and we have increased our capacity by more than 30 people to take advantage of opportunities. Results have been impacted by the Mainzeal liquidation and reduced local government spending, with revenue of \$141m down 3% on prior year. However, New Zealand market forecasts point to the Christchurch rebuild gaining momentum and improving business confidence, and there are significant opportunities from recent announcements by the Government on investment in a number of major infrastructure projects including Auckland's transportation network. We have also continued our expansion into new market areas such as dairy, irrigation and energy.

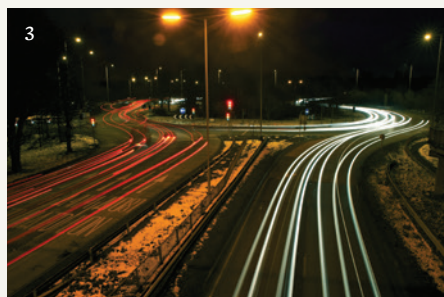


## AUSTRALIA

In Australia, both revenues and profits are ahead of prior year, with revenue increasing by 8% to \$40.3m and EBIT increasing by \$1.3m to \$0.3m. Our strong first half performance is underpinned by the “Wheatbelt” multi-year project in Perth, our Queensland flood projects and newly acquired Opus Rail. We have demonstrated resilience in the face of a severe correction in the infrastructure and resource sector and continue to streamline the business and increase operating efficiencies.

1. Auckland Motorway, New Zealand.

2. Southern Cross Station, Melbourne, Australia.



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1. Mackinac Bridge, Michigan, USA.
  2. Norm Wood Environmental Centre, Canada.
  3. Hertfordshire County Council Road Asset Management, United Kingdom.



## CANADA & USA

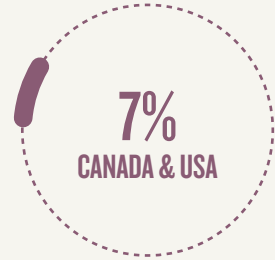
Canada has performed well in the first half of the year with revenue of \$11.5m, a 7% increase, and a 51% increase in EBIT to \$0.8m. We have increased our business base and staff numbers over the past six months, partially due to increased work in the U.S.A. and a new office in Halifax, Nova Scotia. The Canadian market remains robust and is providing further opportunities to grow the business.



## UNITED KINGDOM

In the UK, we have seen a significant turnaround with revenue increasing 78% to \$18.9m, and staff numbers increasing by more than 100. The business returned to profitability with a record half year EBIT of \$0.3m, an increase of \$0.9m on prior year. Our first half performance reflects our strengthening work programme with the Hertfordshire County Council (HCC) and increasing opportunities in the rail sector. The HCC contract is underpinning business performance and has boosted our brand presence in the market.

## STRONG GROWTH ACROSS



GROWTH IN REVENUE ON PRIOR COMPARABLE PERIOD

## LEVERAGING ONGOING INVESTMENTS TO DRIVE BUSINESS IMPROVEMENT

We have maintained our focus on continuous improvement and leveraging the ongoing investment in our capabilities. This includes intensive work on the quality of project management and our IT systems, new market segment opportunities and possible acquisitions.

Looking forward, over the next six months we will maintain our focus on improvement processes, consolidating our position in existing markets, and exploring opportunities for growth, with an underlying commitment to maximising ongoing shareholder returns.

## CONTINUED FOCUS ON DIVERSIFYING INTO NEW MARKETS

In July we announced the resignation of Suhaimi Halim, who was appointed in 2002 and was the longest serving member of the current Board. We thank Suhaimi for his valuable contribution to the Board and to the success of Opus.

**Kerry McDonald**  
Chairman

**Dr David Prentice**  
Chief Executive and Managing Director

# FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013





# CONSOLIDATED INCOME STATEMENT

## FOR THE PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

	NOTE	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
		2013 \$000	2012 \$000	2012 \$000
<b>OPERATING ACTIVITIES</b>				
Operating Revenue		211,691	203,549	407,452
Operating Expenses	1	(195,697)	(187,138)	(372,792)
Operating Surplus		15,994	16,411	34,660
Equity Accounted Share of Surplus of Associates and Joint Ventures		223	453	896
EBITDA		16,217	16,864	35,556
Depreciation and Amortisation		(3,005)	(2,483)	(5,409)
EBIT	2	13,212	14,381	30,147
Interest Revenue		1,443	1,681	3,552
Interest Expense		(1,268)	(1,279)	(2,848)
<b>OPERATING SURPLUS BEFORE TAX</b>		<b>13,387</b>	<b>14,783</b>	<b>30,851</b>
Less Tax Expense	3	(3,981)	(4,028)	(7,459)
<b>NET SURPLUS AFTER TAX</b>		<b>9,406</b>	<b>10,755</b>	<b>23,392</b>
<b>EARNINGS PER SHARE</b>				
Basic Earnings Per Share		0.06	0.07	0.16
Diluted Earnings Per Share		0.06	0.07	0.16

All monetary values in this report are in New Zealand currency unless otherwise indicated.

The accompanying Notes on pages 14 to 21 form part of and should be read in conjunction with this statement.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## FOR THE PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

	NOTE	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
		2013 \$000	2012 \$000	2012 \$000
Net Surplus After Tax for the Period		9,406	10,755	23,392
<b>OTHER COMPREHENSIVE INCOME:</b>				
<b>ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:</b>				
Actuarial Loss on Defined Benefit Plan	7	(300)	–	(892)
Income Tax Benefit Relating to Items That Will Never be Reclassified to Profit or Loss		69	–	239
		(231)	–	(653)
<b>ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:</b>				
Exchange Loss on Translation of International Subsidiaries		(173)	(682)	(312)
Net Gain on Hedge of Net Investment		461	289	153
Income Tax (Charge)/Benefit Relating to Components of Other Comprehensive Income		(162)	(7)	93
		126	(400)	(66)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>(105)</b>	<b>(400)</b>	<b>(719)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>9,301</b>	<b>10,355</b>	<b>22,673</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

	NOTE	ORDINARY SHARES	CONVERTIBLE NOTES	EMPLOYEE BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
		\$000	\$000	\$000	\$000	\$000	\$000
<b>AT 1 JANUARY 2012</b>		52,607	358	1,067	65	57,220	111,317
Other Comprehensive Income		-	-	-	(400)	-	(400)
Net Surplus for the Period		-	-	-	-	10,755	10,755
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		-	-	-	(400)	10,755	10,355
<b>EQUITY TRANSACTIONS:</b>							
Share-Based Payment		-	-	75	-	-	75
Dividend Paid	5	-	-	-	-	(6,896)	(6,896)
Tax Credits on Supplementary Dividend	5	-	-	-	-	66	66
<b>AT 30 JUNE 2012</b>		52,607	358	1,142	(335)	61,145	114,917
<b>AT 1 JANUARY 2013</b>		54,059	358	482	(1)	67,888	122,786
Other Comprehensive Income		-	-	(231)	126	-	(105)
Net Surplus for the Period		-	-	-	-	9,406	9,406
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		-	-	(231)	126	9,406	9,301
<b>EQUITY TRANSACTIONS:</b>							
Shares Issued (Net of Transaction Costs)		-	-	-	-	-	-
Convertible Notes Converted to Ordinary Shares		-	-	-	-	-	-
Share-Based Payment		-	-	49	-	-	49
Dividend Paid	5	-	-	-	-	(7,291)	(7,291)
Tax Credits on Supplementary Dividend	5	-	-	-	-	71	71
<b>AT 30 JUNE 2013</b>		54,059	358	300	125	70,074	124,916

The accompanying Notes on pages 14 to 21 form part of and should be read in conjunction with this statement.

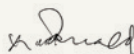
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2013 (UNAUDITED)

	NOTE	(UNAUDITED) 30 JUNE		(AUDITED) 31 DECEMBER
		2013 \$000	2012 \$000	2012 \$000
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment		16,176	11,979	15,100
Investments in Associates and Joint Ventures		253	596	391
Intangible Assets		54,646	55,684	55,304
Deferred Tax Asset		14,037	12,715	14,510
<b>TOTAL NON-CURRENT ASSETS</b>		<b>85,112</b>	<b>80,974</b>	<b>85,305</b>
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents		76,361	80,592	94,043
Receivables and Prepayments		61,794	56,209	49,948
Work in Progress		37,971	31,926	26,746
Tax Receivable		961	1,027	507
Derivative Financial Instruments		-	162	57
<b>TOTAL CURRENT ASSETS</b>		<b>177,087</b>	<b>169,916</b>	<b>171,301</b>
<b>TOTAL ASSETS</b>		<b>262,199</b>	<b>250,890</b>	<b>256,606</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions for Employee Entitlements	7	6,705	6,831	6,596
Defined Benefit Pension Liability	7	1,719	703	1,523
Long Term Borrowings		26,010	4,322	34,748
Finance Leases		1,059	1,573	1,430
Long Term Payable		-	912	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>35,493</b>	<b>14,341</b>	<b>44,297</b>
<b>CURRENT LIABILITIES</b>				
Short Term Bank Borrowings		26,809	50,611	25,652
Finance Lease		1,079	1,081	1,185
Creditors, Accruals and Provisions		26,538	22,614	21,045
Tax Payable		440	346	2,302
Revenue in Advance		18,427	19,012	12,410
Derivative Financial Instruments		123	-	-
Provisions for Employee Entitlements	7	28,374	27,968	26,929
<b>TOTAL CURRENT LIABILITIES</b>		<b>101,790</b>	<b>121,632</b>	<b>89,523</b>
<b>NET ASSETS</b>		<b>124,916</b>	<b>114,917</b>	<b>122,786</b>
<b>EQUITY</b>				
Ordinary Share Capital	4	54,059	52,607	54,059
Convertible Notes		358	358	358
Employee Benefits		300	1,142	482
Retained Earnings	5	70,074	61,145	67,888
Foreign Currency Translation Reserve		125	(335)	(1)
<b>TOTAL EQUITY</b>		<b>124,916</b>	<b>114,917</b>	<b>122,786</b>

For and on behalf of the Board, who authorised the issue of these interim financial statements on 12 August 2013.

Chairman



Managing Director



The accompanying Notes on pages 14 to 21 form part of and should be read in conjunction with this statement.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

	NOTE	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
		2013 \$000	2012 \$000	2012 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers		194,091	185,403	395,433
Interest Received		1,821	1,548	3,511
Payments to Suppliers and Employees		(188,403)	(184,470)	(369,445)
Interest Paid		(1,264)	(1,038)	(2,780)
Taxation Paid		(6,027)	(6,148)	(8,667)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	9	218	(4,705)	18,052
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of Property, Plant and Equipment		22	32	50
Purchase of Property, Plant and Equipment and Intangible Assets		(4,323)	(3,500)	(8,869)
Dividends From Associates		373	285	960
Purchase of Investments		-	(11,569)	(16,871)
Investment in Joint Venture		(12)	(89)	-
Gains from Forward Contracts		166	-	242
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		(3,774)	(14,841)	(24,488)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends Paid	5	(7,291)	(6,896)	(12,849)
Repayment of Finance Lease Obligations		(593)	(591)	(1,454)
Share Capital Issued (Net of Transaction Costs)		-	-	1,381
Drawdown of Long Term Borrowings		7,652	-	16,882
Repayment of Borrowings		(5,399)	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		(5,631)	(7,487)	3,960
<b>NET (DECREASE)/INCREASE IN CASH HELD</b>		(9,187)	(27,033)	(2,476)
Reclassification (from)/to Long Term Borrowings (to)/from Short Term Borrowings		(11,235)	-	13,644
Foreign Exchange Adjustment		1,583	641	850
Cash at Beginning of the Period		68,391	56,373	56,373
<b>CASH AT THE END OF THE PERIOD</b>		<b>49,552</b>	<b>29,981</b>	<b>68,391</b>
<b>COMPRISING:</b>				
Cash at Bank		76,361	80,592	94,043
Short Term Bank Borrowings		(26,809)	(50,611)	(25,652)
		<b>49,552</b>	<b>29,981</b>	<b>68,391</b>

The accompanying Notes on pages 14 to 21 form part of and should be read in conjunction with this statement.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## (UNAUDITED)

### PRESENTATION AND ACCOUNTING POLICIES

The interim financial statements of Opus International Consultants Limited (the “Company”) together with its subsidiaries (the “Group”) have been prepared in accordance with New Zealand Equivalent to International Accounting Standard (“NZIAS”) 34 “Interim Financial Reporting”, issued by the New Zealand Institute of Chartered Accountants. The interim financial statements also comply with IAS 34 Interim Financial Reporting.

The Company is an issuer for the purposes of the New Zealand Financial Reporting Act 1993.

The functional and presentational currency of Opus International Consultants Limited and its New Zealand subsidiary is the New Zealand Dollar and the financial statements are expressed in New Zealand Dollars.

The interim financial statements of the Group for the six months ended 30 June 2013 have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the Group’s Annual Report for the year ended 31 December 2012, except for the following:

- NZ IAS 1 – Presentation of Financial Statements – Presentation of Other Comprehensive Income effective from 1 January 2013, requires the grouping of items in Other Comprehensive Income on the basis of whether they can potentially be reclassified to profit or loss in subsequent periods (reclassification adjustments).
- NZ IAS 19 – Employee Benefits is applicable to the Group for accounting periods beginning on or after 1 January 2013. The revised standard changes the accounting for defined benefit plans and requires amended presentation of the changes in the plan liabilities/assets.
- NZ IAS 27 – Separate Financial Statements (previously Consolidated and Separate Financial Statements) removes the accounting and disclosure requirements for consolidated financial statements which are now covered in NZ IFRS 10 and is effective from 1 January 2013.
- NZ IAS 28 – Investments in Associates and Joint Ventures prescribes the accounting for investment in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The disclosure requirements are now in NZ IFRS 12. This amended statement is effective from 1 January 2013.
- NZ IFRS 7 – Financial Instruments – Disclosures requires disclosure about all recognised financial instruments that are set off in accordance with NZ IAS 32 Financial Instruments: Presentation. The amended standard is effective from 1 January 2013.
- NZ IFRS 10 – Consolidated Financial Statements applicable for accounting periods beginning on or after 1 January 2013 and introduces a new approach to the control model for the consolidation of entities.
- NZ IFRS 11 – Joint Arrangements uses the principles in NZ IFRS 10 – Consolidated Financial Statements to define joint control and classifies joint arrangements as either joint operations or joint ventures. This standard is effective from 1 January 2013.
- NZ IFRS 12 – Disclosures of Interests in Other Entities introduces new disclosures regarding the judgements made by management to determine whether control exists and is effective from 1 January 2013.
- NZ IFRS 13 – Fair Value Measurement provides a single standard source of fair value measurement guidance and expands disclosure requirements for assets and liabilities carried at fair value. The standard is applicable from 1 January 2013.

None of these standards have had a significant impact on the financial statements of the Group.

## PRESENTATION AND ACCOUNTING POLICIES CONTINUED

There are a number of amendments to accounting standards planned as part of the ongoing improvement process; none of these changes are expected to significantly impact on the Group.

## SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The same methodology or approach to deriving significant judgements, estimates and assumptions included in the notes to the Financial Statements in the Group's Annual Report for the year ended 31 December 2012 has been applied to these interim Financial Statements.

### I. OPERATING EXPENSES

INCLUDED IN OPERATING EXPENSES ARE THE FOLLOWING ITEMS:	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
	2013 \$000	2012 \$000	2012 \$000
Employee Remuneration Costs	118,490	113,325	228,998
Consultant and Sub-Contractor Expenses	29,792	28,408	53,864
Project Materials and Services Costs	7,007	7,672	13,884
Premises Expenses	8,842	8,869	18,965
Travel Related Expenses	10,729	10,067	20,367
Training and Other Employee Related Expenses	3,777	4,219	7,994
Communication and Office Administration Costs	5,424	4,728	9,529
Information Technology Expenses	2,563	1,763	3,681
Insurance	1,177	1,127	2,135
Advertising and Promotion Expenses	872	827	1,921
Group Auditors – Audit Fees	224	226	414
Group Auditors – Taxation Services	58	123	319
Group Auditors – Other Assurance Services	27	29	139
Directors' Fees	189	189	378
Directors' Expenses	81	47	50
Legal and Other Consultants' Fees	924	1,510	2,525
Bad Debts Expense	760	108	203
Change in Provision for Doubtful Debts	(28)	910	582
Loss/(Profit) on Foreign Exchange Transactions	72	(34)	33
Loss/(Gain) on Sale of Property, Plant & Equipment	44	(32)	(32)
Other Operating Expenses	4,673	3,057	6,843
<b>TOTAL OPERATING EXPENSES</b>	<b>195,697</b>	<b>187,138</b>	<b>372,792</b>

Expenses have been reclassified between categories where appropriate to provide more information.

## 2. SEGMENTAL REPORTING

For management reporting purposes, the Group is organised into segments based on their geographic location and has four reportable operating segments being New Zealand, United Kingdom, Australia and Canada. No significant operating segments have been aggregated to form the reportable operating segments above.

The majority of the Group's clients are in the government and quasi-government sector. The Group is a supplier of multidisciplinary consultancy and project management services across a range of disciplines including civil, mechanical and electrical engineering, and planning, environmental, architectural and property management. Services supplied support asset development and asset management activities of the Group's clients.

Management monitors the operating results of its reporting segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before interest and tax ("EBIT") and is measured consistently with earnings before interest and tax in the consolidated financial statements except for management charges between the Parent Company and subsidiaries. For management reporting purposes EBIT is monitored using a standard management charge basis consistent across all entities.

Transactions between operating segments are on an arm's length basis in a manner consistent with transactions with external customers.

### GEOGRAPHIC SEGMENT INFORMATION

#### For the six months ended 30 June 2013 (unaudited)

	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	CANADA \$000	OTHER* \$000	TOTAL \$000
Segment Revenue:						
External Customers	141,041	18,852	40,265	11,533	-	211,691
Inter-Segment Revenue	566	270	487	4	(1,327)	-
Segment Result (EBIT)	12,410	261	347	780	(586)	13,212
Segment Total Assets	151,564	29,939	51,584	29,105	7	262,199

#### For the six months ended 30 June 2012 (unaudited)

	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	CANADA \$000	OTHER* \$000	TOTAL \$000
Segment Revenue:						
External Customers	144,749	10,591	37,429	10,780	-	203,549
Inter-Segment Revenue	685	640	88	65	(1,478)	-
Segment Result (EBIT)	15,479	(624)	(967)	518	(25)	14,381
Segment Total Assets	152,617	23,357	49,059	25,850	7	250,890



## 2. SEGMENTAL REPORTING CONTINUED

For the year ended 31 December 2012 (audited)

	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	CANADA \$000	OTHER* \$000	TOTAL \$000
Segment Revenue:						
External Customers	282,311	24,583	78,532	22,026	-	407,452
Inter-Segment Revenue	1,811	1,288	624	82	(3,805)	-
Segment Result (EBIT)	30,025	(598)	(897)	1,293	324	30,147
Segment Total Assets	155,853	26,712	47,269	26,765	7	256,606

\*includes inter-company eliminations and consolidation entries

## 3. TAXATION

The corporate tax rate in New Zealand is 28% (30 June 2012: 28%).

The income tax expense in the interim financial statements includes a reduction in the corporate tax rate in the United Kingdom from 24% to 23% effective 1 April 2013 (last year 26% to 24%). As the legislation has been substantively enacted, the Group's United Kingdom deferred tax assets have been adjusted accordingly in the period. This has resulted in a write down of deferred tax assets and a corresponding charge to tax expense of \$0.1 million (30 June 2012: \$0.2 million).

#### 4. EQUITY – ORDINARY SHARE CAPITAL

During the period ended 30 June 2013, the Company had no movement in ordinary share capital.

	ORDINARY SHARE CAPITAL \$000	NO. OF SHARES	ACCUMULATED NO. OF SHARES
<b>AS AT 1 JANUARY AND 30 JUNE 2013</b>	<b>54,059</b>	<b>146,763,235</b>	<b>146,763,235</b>

As at 30 June 2013 the Company holds 167,631 Treasury Shares (30 June 2012: 39,561; 31 December 2012: 45,815) and 3,873,909 shares (30 June 2012: 3,412,160; 31 December 2012: 3,995,725) are held in trust for the Employee Share Ownership Plan.

#### 5. EQUITY – RETAINED EARNINGS

	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
	2013 \$000	2012 \$000	2012 \$000
Balance at Beginning of Period	67,888	57,220	57,220
Net Surplus for the Period	9,406	10,755	23,392
Dividend on Ordinary Shares	(7,291)	(6,896)	(12,849)
Tax Credit on Supplementary Dividend	71	66	125
<b>BALANCE AT END OF PERIOD</b>	<b>70,074</b>	<b>61,145</b>	<b>67,888</b>

Dividends of \$7.3 million were declared and paid during the period ended 30 June 2013 (30 June 2012: \$6.9 million; year ended 31 December 2012: \$12.8 million) representing 4.9 cents per ordinary share (30 June 2012: 4.7 cents per ordinary share; year ended 31 December 2012: 8.7 cents per ordinary share).

#### 6. JOINT VENTURE

The Group has entered into a joint venture agreement with Opus International (M) Berhad to target opportunities in the Middle East, providing the foundation for development of a presence and growth in that market. The agreement is dated 5 November 2012 and to date no capital has been contributed.

## 7. PROVISIONS FOR EMPLOYEE ENTITLEMENTS AND DEFINED BENEFIT PENSION LIABILITY

Included under current and term liabilities are accruals for salaries and wages and provisions for annual leave, long service leave, retirement leave and incentive costs. The benefits for retirement leave and long service leave are based on an annual independent actuarial valuation provided by AON Consulting (NZ) Limited. Opus International Consultants (UK) Limited has a Defined Benefits Pension Plan. The Plan is closed to new participants. The assets of the Plan are held in a legally separate fund from the reporting entity and the Plan exists solely to pay or fund employee benefits. The assets are funded by both the employer and employees. The Plan purchases an annuity at the time of an employee being entitled to a pension. The Plan is valued on an annual basis by independent actuary, Clerical Medical Investment Group Limited, taking into account gains and losses. The unfunded liability of the Plan was assessed by the independent actuary as at 31 December 2012 at \$1.5 million (equivalent £0.8 million) and has been taken up as a liability by the Company and reduced by subsequent offsetting payments.

The next independent actuarial advice is scheduled for 31 December 2013. During the period ended 30 June 2013, the actuary advised that the UK had equalised gender retirement ages, resulting in an increase in the unfunded liability of \$0.3 million (equivalent £0.15 million). Inclusive of the adjustment for the equalisation of retirement ages, the Directors consider the 31 December 2012 valuations to be appropriate for the preparation of the financial statements for the period ended 30 June 2013.

## 8. RELATED PARTY TRANSACTIONS

Opus International Consultants Limited (OICL) is a company incorporated in New Zealand.

The immediate holding company is Opus International (NZ) Limited. The intermediate holding company is Opus Group Bhd, a company incorporated in Malaysia, and the ultimate holding company and controlling entity is Khazanah Nasional Berhad, a company incorporated in Malaysia. The Parent Company provides consultancy services to Opus Group Bhd and associate companies, NZWETA and Total Bridge Services. Opus International Consultants (NSW) Pty Limited provides consultancy services to AWA Opus Water Industry Training Institute (WITI) in Australia. Opus International Consultants (UK) Limited provides consultancy services to the HCC joint venture with Arup which provides consultancy services to Hertfordshire County Council (HCC). During the period ended 30 June 2013 the Group entered into the following transactions with related parties.

	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
	2013 \$000	2012 \$000	2012 \$000
<b>OPERATING REVENUE</b>			
Opus Group Bhd	205	183	637
Consultancy Services to Associates and Joint Ventures	6,098	547	3,438
<b>DEBTORS</b>			
Opus Group Bhd	417	120	540
Associates and Joint Ventures	2,323	598	2,265

**9. RECONCILIATION OF NET SURPLUS AFTER TAX WITH NET CASH FLOWS FROM OPERATING ACTIVITIES**

	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
	2013 \$000	2012 \$000	2012 \$000
Reported Net Surplus For The Period	9,406	10,755	23,392
<b>ADD/(LESS) NON-CASH ITEMS AND NON-OPERATING ITEMS:</b>			
Depreciation and Amortisation	3,005	2,483	5,409
Bad Debts Written Off	760	113	203
Fair Value of Employee Equity Benefits	49	75	139
Doubtful Debts	(28)	910	582
Accommodation Fit-Out Incentive	(174)	(42)	(161)
Unrealised Foreign Exchange Losses/(Gains)	15	(24)	(96)
Loss/(Gain) on Sale of Property, Plant and Equipment	44	(32)	(32)
Share of Surplus of Associates and Joint Ventures	(223)	(453)	(896)
Deferred Taxation	209	(57)	(1,681)
Defined Benefit Pension Obligation	-	-	203
<b>MOVEMENT IN WORKING CAPITAL:</b>			
(Increase)/Decrease in Receivables and Prepayments	(13,090)	(11,001)	(3,912)
(Decrease)/Increase in Taxation Payable	(2,316)	(2,122)	354
(Increase)/Decrease in Work in Progress	(11,225)	(9,714)	(4,534)
Increase/(Decrease) in Creditors, Accruals and Provisions	6,019	1,152	2,752
Increase/(Decrease) in Revenue in Advance	6,017	1,490	(4,978)
Increase/(Decrease) in Provisions for Employee Entitlements	1,750	1,762	1,308
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>218</b>	<b>(4,705)</b>	<b>18,052</b>

## 10. COMMITMENTS AND CONTINGENCIES

There are various capital expenditure items contracted for at balance date totalling \$1.6 million (30 June 2012: \$2.6 million; 31 December 2012: \$0.6 million).

### Contingent Liabilities

Provisions have been made to cover probable professional indemnity liabilities. There are additional notifications and claims against the Group that the Directors consider have a remote chance of liability that have not been provided for. Due to the nature of these notifications, it is not possible to quantify any liability. The Group has professional indemnity insurance with a maximum excess of \$250,000 (30 June 2012: \$250,000; 31 December 2012: \$250,000) per claim. Our insurers have been notified of any potential claims against the Group.

### Contingent Assets

As at 30 June 2013 the Group has fee claims outstanding for additional services. As negotiations are not in an advanced stage and written evidence of acceptability and amount has not been received, no assets have been recognised in the financial statements (30 June 2012: nil; 31 December 2012: nil).

## 11. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 12 August 2013 the Board of Directors approved an interim dividend payment of 4.0 cents per share (\$6,032,191) to be paid on 1 October 2013.

On 5 August 2013, UEM Group BHD announced a proposed restructuring of its group, which included a conditional offer to dispose of its entire equity interest in our intermediate holding company, Opus Group BHD, to Faber Group BHD in exchange for shares and cash. Opus International Consultants Limited understands that this disposal would result in UEM Group reducing its ownership of, but still maintaining a majority shareholding in, the group of intermediate holding companies that hold the stake in Opus International Consultants Limited.

# DIRECTORY

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Kerry McDonald (Chairman)  
Suhaimi Halim (resigned July 2013)  
Keith Watson  
Fraser Whineray  
Alan Isaac  
Dr David Prentice  
Dato' Seri Ismail Shahudin  
Nik Airina Nik Jaffar

## CHIEF EXECUTIVE

Dr David Prentice

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